



A Co-operative venture of the municipalities of:

Cockburn, East Fremantle, Fremantle, Kwinana, Melville & Rockingham

Monday, 23 September 2019

Senator Mathias Cormann  
Senator for Western Australia  
GPO Box B58  
PERTH WA 6838

**RE: SUPPORT FOR FULL-CYCLE DOCKING OF COLLINS CLASS SUBMARINES IN THE HENDERSON REGION, WESTERN AUSTRALIA**

The South West Group is a Voluntary Regional Organisation of Councils (VROC) in South West Metropolitan Perth comprising the Cities of Cockburn, Fremantle, Kwinana, Melville, Rockingham, and the Town of East Fremantle. The Group collaborates with State and Federal Government, industry, business and community on activities that benefit and facilitate further economic development in the South West Metropolitan Region. The Vision for South West Metropolitan Region is to be the *'Economic Gateway to the West'*.

**Support for WA State Government's position**

The purpose of this letter is to emphasise the South West Group's collective support for the WA State Government's request that the Commonwealth consider moving Full-Cycle-Docking of Collins Class Submarines to Western Australia – specifically to the Henderson Region that includes the Kwinana Strategic Industrial Area; Australian Marine Complex; Rockingham Industrial Zone; Latitude 32; and other strategic infrastructure and assets. The Henderson Region is highly accessible and well serviced by a growing population and a highly skilled workforce.

The South West Group supports the WA State Government's assertion that available resources and facilities in South Australia will not be able to cater for Full-Cycle-Docking of Collins Class Submarines in addition to the new builds, placing Australia's Defence capability at risk. Moving Full-Cycle-Docking to WA will reduce the pressure on a stretched South Australian workforce and protect the Attack, Hunter and Collins programs from potential failure.

## **Regional capabilities**

Western Australia and the Henderson Region in particular is better placed to further develop and retain the workforce required to perform Full-Cycle-Docking of Collins Class Submarines. Significant infrastructure already exists in the Region with advanced planning underway to enable enhanced Defence industry capability. WA has a highly skilled, experienced and ready workforce to ensure the capability of Collins Submarines will not be compromised.

Moving Full-Cycle-Docking to WA will co-locate sustainment work with operations - which is in line with international best practice. Moving Full-Cycle-Docking to Western Australia is clearly in the national interest.

Further evidence of the Region's Defence capabilities are:

- WA suppliers have won at least \$3 billion of Defence contracts so far this financial year.
- There are four notable ship-building programs in the pipeline for Henderson. The biggest is the Offshore Patrol Vessels, ten of which will be built by Lurssen and Cimvec with a contract value of \$2.8 billion, starting from 2020.
- One program already well under way is the \$335 million Pacific Patrol Boat replacement program, where Austal is building 21 boats.
- An additional \$1 billion is planned for Hunter Class and Offshore Patrol Vessel training centres, both to be at HMAS Stirling.
- South Metropolitan TAFE has been working in partnership with the Defence Industry for more than two decades delivering a range of qualifications and courses. Naval Base Campus of South Metropolitan TAFE aims to improve industry skilling and training, ultimately providing a skilled workforce for industry well into the future.
- Major Primes already have a strong presence in WA including ASC, Austral, Babcock, BAE Systems, Boeing, L3 Ocenia, Lockheed Martin, Lurssen, Pilatus, Raytheon, Saab, and Thales.
- There is a huge opportunity for WA companies to tap into global markets – they are highly competitive and innovative, with considerable experience and expertise in the resource sector that is easily transferrable to the Defence sector.
- There is latent capacity within the Regional workforce to take on additional work.

## **Economic impact**

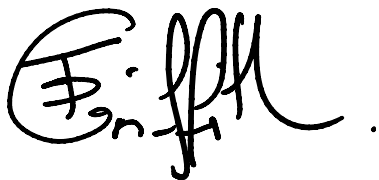
- The independent ACIL Allen economic study found Full-Cycle-Docking in WA would create an average of 887 direct jobs, and support 1,392 indirect jobs; with 3,084 total jobs created at the program's peak.
- Full-Cycle-Docking in WA would generate a total of \$8.4bn in Gross State Product (GSP) over the life of the project, at an average of \$0.6bn per annum;
- Full-Cycle-Docking in WA would provide WA businesses and households with \$7.9bn in extra real income over the life of the program, with \$5.5bn of this in wages and salaries.

### **Strategic alignment and collaboration**

The WA State Government is working collaboratively with the Commonwealth to ensure the needs and requirements of Defence are understood and met, including infrastructure and workforce. Local Governments within the South-West Metropolitan Region have offered their full support for this process and are in regular contact with their State Members of Parliament and senior officers within State Government. This is consistent with the strong track record of productive working relationships between Local Governments in the SW Metropolitan Region and the WA State Government.

If there is any additional information you require from the South West Group or its Member Councils, please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink, appearing to read 'Tom Griffiths', with a stylized flourish at the end.

Tom Griffiths | Director South West Group

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